



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
BUDGET WORKSHOP
TUESDAY, JUNE 9, 2009 – 9:00 AM**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Budget Workshop on Tuesday, June 9, 2009 at 9:00 a.m. in the Holden Beach Town Hall General Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Sandy Miller; Commissioners Ray Lehr, Don Glander, Ken Kyser and Gary Staley; Town Manager David W. Hewett; Town Clerk Heather Finnell; Police Chief Wally Layne; Zoning Official Rhonda Wooten; and Public Works Director Chris Clemmons.

Mayor Holden called the meeting to order. Town Manager Hewett went over the layout of his proposed budget. It is broken down into operating and capital funds. The proposed budget holds the current tax and water rates to the same amount. It does shift some tourism expenses to the BPART fund. Highlights include that the proposed budget provides the same services at the same level; doesn't include employee cost of living or merit increases; pays for new facilities' debt services and operating expenses; and does not pay back any monies to the General or Water Fund.

Public Works Director Clemmons stated that wet well maintenance was not completed this year and it wasn't included in the proposed budget. He recommends that amount be put in. The cost would be about \$30,000. He stated he would like to see about \$50,000 to purchase two vacuum pumps. He stated there are a few unknowns about the sewer system. He would like to work with the engineer to get a master plan together in case there are problems in the future. Public Works Director Clemmons also thinks a decision needs to be made about the work to the fire department. Town Manager Hewett explained he did include the purchase of a sanitation truck in the BPART Fund. Public Works Director Clemmons stated the landscaping at the EOC still needs to be completed. Town Manager Hewett stated we do have about \$37,000 left in the existing line item for the EOC that can be used for the landscaping; it just hasn't been done yet. Town Manager Hewett stated that the money for the wet wells and the two pumps is not proposed in this budget. The Board discussed how the sewer system is critical to maintain. Mayor Holden inquired about spraying equipment that can be used for sand spurs. Town Manager Hewett stated that the budget currently doesn't reflect any money to be used for any type of herbicide. Having a test area to dispose of sand spurs to see how effective it would be was discussed. Town Manager Hewett explained that business licenses are due July 1st. A sand spur program can be tied into the renewal of those. An irrigation contractor license is required for people who install irrigation systems. The Town could hold an information session that reviews everything relating to these topics. Town Manager Hewett explained that based on the Town's inspection by the water quality inspector, this budget proposes charging a fee of \$75 per year to everyone who has a backflow device and then having the Town contract with a licensed inspector to check all the properties with irrigation meters on the island.

Chief Layne stated he is still pursuing \$20,000 from the State and that Town Manager Hewett's proposed budget for the Police Department is fine with him. Commissioner Kyser inquired about the communications line item. Town Manager Hewett said communications includes everything from computers, DCI, subscription to the internet service provider, radios, cell phones and basically everything relating to information technology.

Zoning Official Wooten stated that the Inspections budget Town Manager Hewett proposed looks fine. Town Manager Hewett said Michelle will go out on maternity leave in October so the salary line item may be impacted.

Town Manager Hewett explained he has established cost centers in Governing Body to account for the operating expenses in each facility. Town Manager Hewett said the amount budgeted for the EOC and Town Hall will be pretty tight. Also included in the budgeted amount would be janitorial services, trash pick-up and those sorts of expenses.

Town Manager Hewett explained that the equivalent of 2/3 of a sanitation worker and one police officer are being paid for out of the BPART Fund since they are tourist related expenses. He would like to put a police officer on the beach strand during the summertime. In the BPART Fund there is an additional \$6,000 set aside to purchase a four wheeler to assist the Police Department's work. Mayor Holden requested that a line item to track expenses for the fire department located on the island be established. Town Manager Hewett said the Fire Chief mentioned to him that they were looking at establishing a fulltime fire station on the island. Town Manager Hewett stated he is not sure if the facility is up to that type of operation. It would involve a greater expense than what the Town had previously discussed.

Commissioner Glander inquired about the donation towards the concerts. Town Manager Hewett said the amount would be under the BPART Fund. Commissioner Lehr inquired about money donated to Chamber. Town Manager Hewett explained it is the same amount donated last year. Mayor Pro Tem Miller asked why the Holden Beach promotion program increased so much. Town Manager Hewett explained he put money in for a webcam and there was a proposal for internet marketing, but he is not sure that is the way to go. The Board discussed the amount proposed and Molly Tuttle's proposal for the Town's website. The Board talked about advertising and promoting the Town.

Commissioner Staley asked about the amount left from the \$4 million loan. He stated that the motion was made to pay back what wasn't used. Commissioner Glander inquired if some of the money can be used for what Public Works Director Clemmons needs for the sewer that isn't included in the budget. Town Manager Hewett stated that the Town is waiting on an estimate from the contractor for making the kitchen accessible to the public. Town Manager Hewett stated that there is another issue that the building inspector made him aware of. There is not enough clearance space when the exterior doors to the boardroom are opened. A solution is needed before a certificate of occupancy can be issued. Mayor Pro Tem Miller asked if there is a line item to include lawyer fees. Town Manager Hewett stated that the current attorney works on an hourly basis, so he is paid as he bills us. There is a budgeted line item under Governing Expenses for the lawyer fees. Town Manager Hewett said it would be mixing capital and operations budgets to move money from the new Town Hall Fund to the Water and Sewer Fund so if the Board chooses to do that this year, a budget amendment would need to be completed. If the Board did it effective July 1st, they would have to amend the capital budget and adopt it as part of budget. The Board would like to have the item added to the agenda for tonight. Mayor Holden asked about broadcasting the Town meetings on Channel 8 since we are now in the new facility. Town Manager Hewett stated he would have to research how it can be done.

Commissioner Kyser asked about the Purchase for Resale line item on page 36. Town Manager Hewett explained that is the amount we pay to Brunswick County for wholesale water. Commissioner Kyser asked if the Town needs to look at raising the water and sewer rates to purchase equipment in the future. Town Manager Hewett explained we do not have a capital program laid out for replacement costs. He did put \$10,000 in professional services for an engineer to coach us towards what is required for our existing systems. He stated it will depend on the amount of water and sewer sold in May and June to determine if the Town made enough money from water and sewer to pay for our water and sewer debts. Town Manager Hewett said the County's rates are coming out tomorrow.

Commissioner Lehr asked about the \$15,000 item for Jordan Boulevard. Town Manager Hewett said it is a new cost center he put in. It is an attempt to capture expenses associated with the area. Commissioner Glander asked about the sales tax on video programming under fund revenues on page 3. Town Manager Hewett said it is a state distribution based on telephone communications and PEG program. Commissioner Staley inquired about the amount of the USDA

loan and if we received the full amount. Town Manager Hewett explained that an amount is being held until all issues on the Emergency Operations Center are resolved.

ADJOURNMENT

Motion by Mayor Pro Tem Miller to adjourn at 10:11 a.m.; second by Commissioner Staley; approved by unanimous vote.